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April 24th, 1959

COCOM Document No. 3499

6-e

COORDINATING COMMITTEE

RECORD OF DISCUSSION

ON

UNITED STATES PROPOSAL TO ADD ITEM 1510 TO THE ITEMS LISTED IN ITEM 1416(e)

April 20th, 1959

Present: Belgium (Luxembourg), Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Norway, Turkey, United Kingdom, United States.

References: COCOM 549, 1104, 3376, 3379, 3397, 3422, 3442, 3445, 3455, 3458, 3469, 3485, Sub-C.(58) 3.

1. The CHAIRMAN recalled that at the previous meeting the United States Delegation had made a proposal for the addition of a Note to Item 1416 (COCOM 3489, paragraph 5). He had now been informed that the United States authorities were still considering the question in the light of the previous discussions and would appreciate postponement of the present debate until their study had been completed.

2. The UNITED KINGDOM Delegate stated that he could agreed to this postponement. The view of his authorities remained unchanged: they could not accept the proposal that equipment covered by Item 1510 should not be installed in ships built for the Soviet Bloc or left in secondhand vessels sold to the Bloc. His authorities were however prepared to report to the Committee in their monthly statistical returns the installation of any such equipment in vessels sold to the Bloc or in ships belonging to the Bloc which were repaired in United Kingdom ports. His authorities were also prepared, in deference to the United States proposal contained in paragraph 5 of COCOM 3485, to pay particular attention to cases where the value of installing equipment covered by Item 1510 was 50% or more of the total cost of the work carried out. Summing up, the Delegate said that his authorities were ready to deal specially with Item 1510 in the context of ship repairs but they could not accept its addition to the list of items contained in Item 1416(e). They were in full agreement that normal sales, i.e. outside the context of the sale of a complete vessel or repairs to a vessel, should continue to be embargoed.

3. The GERMAN Delegate said that his position was the same as that of his United Kingdom colleague. His authorities could not accept the proposad footnote to Item 1416 but in a spirit of compromise they could accept the United States proposal in the context of the agreement on ship repairs, which would necessitate altering the opening words of the proposal to read: "With respect to repairs and alterations to ships of the Soviet Bloc .....". The Delegate continued that even if the United States proposal were accepted in the context of ship repairs, the German authorities considered that servicing cases could be freely undertaken and they could accept no restriction on repairs to equipment which had originally been supplied by Germany. Finally the Delegate said that his authorities could accept statistical reporting of the installation of equipment covered by Item 1510 on the same terms as had been stated by the United Kingdom Delegate, namely when ships were sold to the Soviet Bloc or when repair work was carried out on Bloc vessels.

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4. The BELGIAN Delegate said that his authorities could not accept the United States proposal because of the reference it contained to a percentage. They considered that the construction or sale of vessels should be on the same footing as repair work undertaken. He pointed out that when a ship was sold to the Soviet Bloc the proportional value of any equipment covered by Item 1510 was not likely to be important but in the context of a repair it could well amount to 50% or more of the total cost. From the administrative point of view it would be difficult to modify the arrangements at present in force. The Belgian authorities would support any proposal which recommended the inclusion of the equipment covered by Item 1510 both for the sale of new or secondhand vessels and for the repair or modification of vessels.

5. The NETHERLANDS Delegate agreed with the statement made by his Belgian colleague. His authorities considered that reference to a percentage could be very difficult to apply. Because of a gentleman's agreement operating between his authorities and the Netherlands shipyards it was preferable to have the arrangements as simple as possible.

6. The ITALIAN Delegate stated that he had no definite instructions but he felt that the views expressed by the United Kingdom Delegate were near to those of his own authorities. He accepted the United Kingdom views ad referendum and reserved the right to comment more fully at a later date.

7. The FRENCH Delegate recalled that he had agreed with the original United Kingdom proposal on this subject. He maintained this view while, however, agreeing with his Belgian colleague on the difficulty of referring to a percentage.

8. The UNITED STATES Delegate expressed his thanks to the Members of the Committee for the views which had been given.

9. The COMMITTEE agreed to continue the discussion on April 27th.

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